

Message Text

LIMITED OFFICIAL USE

PAGE 01 JAKART 14504 260453Z

12

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /089 W

----- 031813

R 260400Z NOV 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1415

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

LIMITED OFFICIAL USE JAKARTA 14504

E.O. 11652: N/A

TAGS: ENRG, ID

SUBJECT: PERTAMINA REORGANIZATION

REF: JAKARTA 14166

1. IN MEETING WITH PRESS NOVEMBER 19, GENERAL HASAN HABIB, CHAIRMAN SPECIAL PERTAMINA BUDGET AND PROJECTS COMMITTEE ("TEAM 11"), SHED SOME ADDITIONAL LIGHT ON CURRENT GOI EFFORTS TO REORGANIZE PERTAMINA. HABIB AND OTHER TWO COMMITTEE MEMBERS, GEN. PIET HARYONO AND GEN. ISMAIL SALEH, SPOKE WITH NEWSMEN AT PALACE FOLLOWING COMMITTEE'S CALL ON PRESIDENT SUHARTO.

2. PRESS QUOTES GEN. HABIB AS SAYING "BASICALLY THERE ARE NO PRINCIPAL CHANGES IN PERTAMINA'S ORGANIZATION, ONLY REGROUPING FOR THE IMPROVEMENT OF THE ORGANIZATION AS A WHOLE." HABIB EXPLAINED THIS MEANT REDUCTION IN NUMBER OF UNITS IN PERTAMINA NOW REPORTING DIRECTLY TO GEN. IBNU. AT PRESENT, SOMETHING LIKE 22 UNITS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JAKART 14504 260453Z

(DIRECTORATES, DIVISIONS, SUB-DIVISIONS) FALL UNDER IBNU'S DIRECT

SUPERVISION. ACCORDING TO HABIB, RESTRUCTURING WOULD REDUCE THIS NUMBER TO AROUND TWELVE. (ARTICLES PROVIDED NO DETAILS ON WHAT UNITS MIGHT BE CUT OR REGROUPED.) PURPOSE OF THIS REORGANIZATION IS TO ACHIEVE BETTER "UNITY OF ACTION, HOMOGENEOUS INSTRUCTION, SUITABLE DELEGATION OF AUTHORITY, AND CONTINUITY IN ALL PERTAMINA'S ACTIVITIES." RESPONDING TO A NEWSMAN'S QUESTION ABOUT POSSIBLE REDUCTION IN PERTAMINA PRESIDENT-DIRECTOR GEN. IBNU'S "BURDENS," GEN. HABIB SAID QUESTION IS NOT ONE OF REDUCING BURDENS BUT RATHER "SHARPENING" OF LEADERSHIP METHODS. PERTAMINA WOULD FUNCTION IN ACCORDANCE WITH LAW NO. 8/1971 WITH EMPHASIS ON "OPERATIONAL" ACTIVITIES, E.G., EXPLORATION, PRODUCTION, MARKETING, ETC. GEN. HABIB ALSO INDICATED PERTAMINA'S OPERATING BUDGET WOULD BE REDUCED IN LINE WITH REORGANIZATION. ACCORDING TO PRESS, PRESIDENT SUHARTO INSTRUCTED HABIB TEAM TO CONTINUE INVESTIGATION.

BEGIN LIMITED OFFICIAL USE

3. COMMENT: HABIB'S REMARKS ARE FIRST PUBLIC EXPRESSION ON HOW GOI INTENDS TO REORGANIZE PERTAMINA. OFFICIALS IN PERTAMINA WITH WHOM WE HAVE DISCUSSED REORGANIZATION FEEL THAT HABIB'S REPORT SIGNALS OBVIOUS REDUCTION IN GENERAL IBNU'S AUTHORITY. UNDER PRESENT SYSTEM, EACH DIVISION, PRODUCTION UNIT IN FIELD, AND PERTAMINA OFFICE OVERSEAS, ETC., REPORTS TO GENERAL IBNU PERSONALLY. NEW SET-UP WILL INSURE MORE COORDINATION AND WILL PROBABLY RESULT IN FURTHER REMOVAL OF SOME SUBSIDIARIES FROM PERTAMINA'S CONTROL. ANOTHER PROBABLE EFFECT WILL BE RESHUFFLING AND REMOVAL OF PERTAMINA PERSONNEL, PARTICULARLY AMONG SENIOR ARMY OFFICERS. AS ONE PERTAMINA OFFICIAL PUT IT, "MANY WILL BE CALLED BACK BY THE ARMY AND TOLD TO REPORT TO THE FOURTH FLOOR IN A THREE-STORY BUILDING." (WE UNDERSTAND THAT COL. ABIHASAN SAID HAS JUST BEEN REMOVED AS BATAM ISLAND DEVELOPMENT OFFICER AND AS PERTAMINA'S LIAISON OFFICER IN SINGAPORE.) FURTHERMORE, NOW THAT LID HAS BEEN LIFTED FROM NEWS COVERAGE AND MAN IN THE STREET IS BECOMING AWARE OF PERTAMINA PROBLEM, WE CAN EXPECT CONTINUED REPORTING BY PRESS ON BOTH REAL AND IMAGINED ABUSES OF POWER BY IBNU/PERTAMINA.

END LIMITED OFFICIAL USE
NEWSOM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, GOVERNMENT REFORM, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JAKART14504
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750411-0808
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975118/aaaaagmb.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 JAKARTA 14166
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by ElyME>; APPROVED <17 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PERTAMINA REORGANIZATION
TAGS: ENRG, ID
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006